

Message Text

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PAGE 01 LISBON 00373 180957Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 NSAE-00 NSCE-00 SSO-00
USIE-00 INRE-00 PM-05 H-01 INR-07 L-03 PA-01
PRS-01 SP-02 SS-15 AID-05 IGA-02 EB-08 OMB-01
TRSE-00 /064 W
-----040427 181001Z /15/43

O R 161611Z JAN 78
FM AMEMBASSY LISBON
TO SECSTATE WASHDC IMMEDIATE 4391
INFO AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY MADRID
AMEMBASSY MOSCOW
AMEMBASSY PARIS
AMCONSUL OPORTO
AMCONSUL PONTA DELGADA
USMISSION USNATO
DIA WASHDC
USCINCEUR VAIHINGEN GER
USNMR SHAPE BRUSSELS BEL
COMUSFORAZ

C O N F I D E N T I A L LISBON 0373

C O R R E C T E D C O P Y (TEXT--SUMMARY LINE TWO WORD SIX ADDED)

E.O. 11652: GDS
TAGS: PGOV PINT PO
SUBJECT: SOARES WILL SEEK BROADER MANDATE TO CONCLUDE
NEGOTIATIONS

REF: (A) LISBON 345 (DTG 131827Z JAN 78), (B) LISBON 330
(DTG 131702Z JAN 78)

SUMMARY: A WEEKEND OF PARTY ACTIVITY AND NEGOTIATIONS
FAILED TO END THE POLITICAL IMPASSE
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PRESIDENT EANES GAVE SOARES AN EXTENDED DEADLINE UNTIL
JAN 18 TO REACH THE AGREEMENTS NECESSARY TO FORM A GOVERNMENT.
SOARES HAS CONVOKED THE PS NATIONAL COMMITTEE FOR JAN 17
TO GIVE HIM A MORE FLEXIBLE MANDATE. END SUMMARY.

1. EANES ASKS SOARES TO CONTINUE EFFORTS: PRESIDENT
EANES, AFTER MEETING WITH MARIO SOARES AND FREITAS DO AMARAL

JAN 14, ISSUED A STATEMENT CALLING AN AGREEMENT AMONG THE PARTIES VIABLE, AND CHARGING MARIO SOARES WITH CONTINUING HIS EFFORTS UNTIL JAN 18. SOARES TOLD THE PRESIDENT HE HAD REACHED AGREEMENT WITH THE CDS, BUT THAT FAILURE TO REACH AGREEMENT WITH THE PCP DID NOT PERMIT HIM TO MEET THE TERMS SET OUT BY THE PS NATIONAL COMMITTEE FOR A SATISFACTORY ACCORD. THE PRESIDENT WILL MEET JAN 16 WITH PSD AND PCP LEADERS.

2. SOARES CONVOKES PS NATIONAL COMMITTEE: FOLLOWING HIS JAN 14 MEETING WITH PRESIDENT EANES, SOARES MADE THE FOLLOWING REMARKS:

-- AGREEMENT WITH CDS: THE PS HAS REACHED AGREEMENT WITH THE CDS.

-- PCP REJECTS ACCORD: THE PS HAD PRACTICALLY REACHED AN AGREEMENT WITH THE PCP WHEN THE COMMUNISTS REFUSED TO SIGN.

-- EFFORTS WILL CONTINUE: ALTHOUGH INCLINED TO GIVE UP HIS EFFORTS, PRESIDENT EANES ASKED SOARES TO CONTINUE, GIVEN THE PRACTICALLY CONCLUDED AGREEMENT WITH THE CDS.

-- GREATER PS FLEXIBILITY SOUGHT: THE PS NATIONAL COMMITTEE WILL BE ASKED AT ITS JAN 17 MEETING TO GOVE THE PARTY LEADERSHIP ADDED FLEXIBILITY TO NEGOTIATE A RAPID AGREEMENT.

-- UP TO PCP: ANY REOPENING OF NEGOTIATIONS WITH THE COMMUNIST PARTY DEPENDS ON CONCESSIONS BY THE PCP. "THE COMMUNISTS SEEM TO HAVE OPTED AGAIN FOR A POLICY OF "THE WORSE THINGS ARE, THE BETTER."

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3. PSD DECLARES OPENNESS: THE SOCIAL DEMOCRATIC PARTY NATIONAL COUNCIL DECLARED JAN 15 ITS READINESS TO RESUME NEGOTIATIONS WITH THE PS AND CDS "GIVEN THE PCP'S SELF-EXCLUSION." THE PSD AGAIN ADVOCATED GRATER PRESIDENTIAL INVOLVEMENT IN NEGOTIATIONS. PSD PRESIDENT SOUSA FRANCO MENT JAN 15 WITH MARIO SOARES PRIOR TO THE NATIONAL COUNCIL'S ANNOUNCEMENT.

4. CDS DECLARES AGREEMENT ALMOST COMPLETE: CDS PRESIDENT FREITAS DO AMARAL, AFTER MEETING WITH PRESIDENT EANES JAN 14, ANNOUNCED THAT THE PS AND CDS HAVE PRACTICALLY CONCLUDED THEIR AGREEMENT ON A NEW GOVERNMENT. AMARAL SAID, HOWEVER, THAT THE CDS COULD NOT ACCEPT THE VERSION OF THE PROPOSED PS-PCP AGREEMENT WHICH WAS SHOWN TO THE CENTER DEMOCRATS.

5. CUNHAL DENIES PCP RESPONSIBILITY: PCP SECRETARY-GENERAL ALVARO CUNHAL TOLD WEEKEND COMMUNIST RALLIES THAT:
-- PCP NOT RESPONSIBLE: THE COMMUNISTS PRESENTED NO LAST-MINUTE DEMANDS; THE BREAKDOWN IN PS-PCP NEGOTIATIONS RESULTED FROM LONG-STANDING COMMUNIST POSITIONS.

-- PCP OPEN TO NEGOTIATIONS: THE COMMUNISTS REMAIN OPEN
TO FURTHER NEGOTIATIONS AND TO REVISION OF THE PROPOSED
PS-PCP PACT.

6. COMMENT: THE PS WOULD PREFER TO HAVE A SIDE AGREEMENT
WITH THE PCP BECAUSE IT WOULD HELP MAINTAIN SOCIALIST PARTY
COHESION AND BECAUSE IT MIGHT HELP KEEP THE COMMUNISTS AND
THEIR LABOR ASSOCIATES IN CHECK DURING PERIOD OF
ECONOMIC AUSTERITY AHEAD. SOARES IS SEEKING TO TURN
A DIFFICULT SITUATION TO HIS ADVANTAGE. BY
BLAMING THE PCP FOR THE BREAKDOWN IN PS-PCP NEGOTIATIONS,
SOARES INTENDS TO OBTAIN SOCIALIST PARTY
ENDORSEMENT OF AN ISOLATED AGREEMENT WITH THE CDS. AT THE
SAME TIME, HE WILL TURN THE PRESSURE BACK ON THE PCP TO SEEK AN
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AGREEMENT, WITH THE SOCIALISTS IN BETTER BARGAINING
POSITION.
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
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